BEIERHOLM
VI SKABER BALANCE

Hans Buch A/S

Roskildevej 8-10, 2620 Albertslund

CVR no. 75 14 24 12

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 20.06.22

Martin Kasten
Dirigent

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Company information etc.

The company

Hans Buch A/S
Roskildevej 8-10
2620 Albertslund
CVR no.: 75 14 24 12
Financial year: 01.01 - 31.12

Executive Board

Henriette Holmberg Olsen

Board of Directors

Fritz H. Schur, chairman
Mads-Ole Astrupgaard
Peter S. Helbirk
Martin Kasten

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

Fritz Schur Industri ApS, København K.

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.21 - 31.12.21 for Hans Buch A/S.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.21 and of the results of the company's activities and cash flows for the financial year 01.01.21 - 31.12.21.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Albertslund, June 20, 2022

Executive Board

Henriette Holmberg Olsen

Board of Directors

Fritz H. Schur Chairman	Mads-Ole Astrupgaard
Peter S. Helbirk	Martin Kasten

To the Shareholder of Hans Buch A/S

Opinion

We have audited the financial statements of Hans Buch A/S for the financial year 01.01.21 - 31.12.21, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.21 and of the results of the company's operations and cash flows for the financial year 01.01.21 - 31.12.21 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Næstved, June 20, 2022

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jørgen Stegmann	Jette Jordan Andersen
State Authorized Public Accountant	State Authorized Public Accountant
MNE-no. mne11738	MNE-no. mne46630

FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2021	2020	2019	2018	2017
Profit/loss					
Operating profit	443	1,239	602	709	2,377
Index	19	52	25	30	100
Total net financials	-301	-572	-531	-263	-375
Index	80	153	142	70	100
Profit for the year	120	516	-96	481	1,531
Index	8	34	-6	31	100
Balance					
Total assets	55,998	54,710	56,508	76,198	73,283
Index	76	75	77	104	100
Investments in property, plant and equipment	38	62	0	0	646
Index	6	10	-	-	100
Equity	25,693	25,573	25,057	39,153	38,673
Index	66	66	65	101	100

Primary activities

The company primarily performs technical engineering, trading, and marine service activities.

Development in activities and financial affairs

The company achieved a profit after tax of th.DKK 120, which is lower than expected and negatively affected by the COVID-19 situation including considerable supply chain challenges.

The equity of the company amounts to th.DKK 25,693 at the end of the financial year.

Outlook

The company expects a continued competition intensive market in 2022. In light of the steps initiated in 2021 regarding product and cost structures as well as a digitalization of processes, an operating profit in the range of DKK 1-5 million is expected in the coming financial year.

Financial risks

The company is affected by a range of commercial, operational and financial risks, managed and mitigated through a comprehensive risk management and insurance setup.

Subsequent events

The Covid-19 situation still has some impact on the activities. Management believes, regardless, that the Company's future activity and financial situation will not be significantly affected.

Income statement

Note		2021 DKK '000	2020 DKK '000
	Gross profit	**28,744**	**30,610**
1	Staff costs	-26,789	-27,941
	Profit before depreciation, amortisation, write-downs and impairment losses	**1,955**	**2,669**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-1,512	-1,430
	Operating profit	**443**	**1,239**
	Financial expenses	-301	-572
	Profit before tax	**142**	**667**
2	Tax on profit for the year	-22	-151
	Profit for the year	**120**	**516**

3 Proposed appropriation account

Balance sheet

ASSETS

Note		31.12.21 DKK '000	31.12.20 DKK '000
	Acquired rights	398	638
	Goodwill	5,507	6,602
4	**Total intangible assets**	**5,905**	**7,240**
	Leasehold improvements	0	77
	Other fixtures and fittings, tools and equipment	160	223
5	**Total property, plant and equipment**	**160**	**300**
	Total non-current assets	**6,065**	**7,540**
	Manufactured goods and goods for resale	19,326	19,379
	Prepayments for goods	434	1,042
	Total inventories	**19,760**	**20,421**
	Trade receivables	25,666	18,294
	Receivables from group enterprises	57	7,213
	Other receivables	309	750
6	Prepayments	104	492
	Total receivables	**26,136**	**26,749**
	Cash	**4,037**	**0**
	Total current assets	**49,933**	**47,170**
	Total assets	**55,998**	**54,710**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.21 DKK '000	31.12.20 DKK '000
7	Share capital	5,100	5,100
	Retained earnings	20,593	20,473
	Total equity	**25,693**	**25,573**
8	Provisions for deferred tax	1,175	1,544
	Total provisions	**1,175**	**1,544**
9	Lease commitments	0	110
9	Other payables	3,114	2,279
	Total long-term payables	**3,114**	**2,389**
9	Short-term part of long-term payables	110	76
	Payables to other credit institutions	0	3,319
	Trade payables	12,287	10,858
	Payables to group enterprises	5,263	3,317
	Income taxes	409	293
	Other payables	7,092	7,341
10	Deferred income	855	0
	Total short-term payables	**26,016**	**25,204**
	Total payables	**29,130**	**27,593**
	Total equity and liabilities	**55,998**	**54,710**

11 Contingent liabilities
12 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.20 - 31.12.20			
Balance as at 01.01.20	5,100	19,957	25,057
Net profit/loss for the year	0	516	516
Balance as at 31.12.20	5,100	20,473	25,573
Statement of changes in equity for 01.01.21 - 31.12.21			
Balance as at 01.01.21	5,100	20,473	25,573
Net profit/loss for the year	0	120	120
Balance as at 31.12.21	5,100	20,593	25,693

Cash flow statement

Note		2021 DKK '000	2020 DKK '000
	Profit for the year	**120**	**516**
13	Adjustments	1,829	2,153
	Change in working capital:		
	Inventories	661	4,356
	Receivables	-6,543	4,028
	Trade payables	1,429	-1,415
	Other payables relating to operating activities	1,366	2,682
	Cash flows from operating activities before net financials	**-1,138**	**12,320**
	Interest expenses and similar expenses paid	-301	-572
	Income tax paid	-275	-280
	Cash flows from operating activities	**-1,714**	**11,468**
	Purchase of intangible assets	0	-720
	Purchase of property, plant and equipment	-38	-62
	Sale of property, plant and equipment	6	0
	Cash flows from investing activities	**-32**	**-782**
	Arrangement of payables to group entreprises	9,102	0
	Repayment of payables to group entreprises	0	-11,019
	Cash flows from financing activities	**9,102**	**-11,019**
	Total cash flows for the year	**7,356**	**-333**
	Short-term payables to credit institutions, beginning of year	-3,319	-2,986
	Cash, end of year	**4,037**	**-3,319**
	Cash, end of year, comprises:		
	Cash	4,037	0
	Short-term payables to credit institutions	0	-3,319
	Total	**4,037**	**-3,319**

Notes

	2021 DKK '000	2020 DKK '000

1. Staff costs

	2021 DKK '000	2020 DKK '000
Wages and salaries	23,755	24,833
Pensions	2,072	2,097
Other social security costs	509	468
Other staff costs	453	543
Total	26,789	27,941
Average number of employees during the year	38	40

Remuneration for the management:

	2021 DKK '000	2020 DKK '000
Remuneration for the Executive Board and Board of Directors	1,836	1,819

2. Tax on profit for the year

	2021 DKK '000	2020 DKK '000
Current tax for the year	409	349
Adjustment of deferred tax for the year	-369	-195
Adjustment of tax in respect of previous years	-18	-3
Total	22	151

	2021 DKK '000	2020 DKK '000

3. Proposed appropriation account

	2021 DKK '000	2020 DKK '000
Retained earnings	120	516
Total	120	516

4. Intangible assets

Figures in DKK '000	Acquired rights	Goodwill
Cost as at 01.01.21	883	10,948
Cost as at 31.12.21	883	10,948
Amortisation and impairment losses as at 01.01.21	-245	-4,346
Amortisation during the year	-240	-1,095
Amortisation and impairment losses as at 31.12.21	-485	-5,441
Carrying amount as at 31.12.21	398	5,507

5. Property, plant and equipment

Figures in DKK '000	Leasehold improvements	Other fixtures and fittings, tools and equipment
Cost as at 01.01.21	3,271	2,711
Additions during the year	0	38
Disposals during the year	0	-26
Cost as at 31.12.21	3,271	2,723
Depreciation and impairment losses as at 01.01.21	-3,194	-2,488
Depreciation during the year	-77	-101
Depreciation of and impairment losses on disposed assets for the year	0	26
Depreciation and impairment losses as at 31.12.21	-3,271	-2,563
Carrying amount as at 31.12.21	0	160
Carrying amount of assets held under finance leases as at 31.12.21	0	63

	31.12.21 DKK '000	31.12.20 DKK '000

6. Prepayments

Other prepayments	11	368
Prepaid administrative costs	93	124
Total	104	492

7. Share capital

The share capital consists of:

	Quantity	Total nominal value
Share capital	5,100	5,100

	31.12.21 DKK '000	31.12.20 DKK '000

8. Deferred tax

Deferred tax as at 01.01.21	1,544	1,738
Deferred tax recognised in the income statement	-369	-194
Deferred tax as at 31.12.21	1,175	1,544

9. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.21	Total payables at 31.12.20
Lease commitments	110	0	110	186
Other payables	0	2,308	3,114	2,279
Total	110	2,308	3,224	2,465

	31.12.21 DKK '000	31.12.20 DKK '000

10. Deferred income

Prepayment	855	0
Total	855	0

11. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 7-27 months and average lease payments of th.DKK 89, a total of th.DKK 1.405

The company has entered into a rental obligation with a notice period of 6 months in total up to th.DKK 1,642.

Guarantee commitments

The company has provided a guarantee of th.DKK 1.737 as security of payment of rent etc. and deposits through the bank connection of the company.

Occasionally, the company has pending warranty and complaints cases concerning customer deliveries. In cases where there is a risk of an economic liability for the company, a provision for the estimated liability is made in the balance sheet. In case of change in evaluation of this, an accounting adjustment is made. The outcome of the pending cases in which no provisions is made in the balance sheet, is not expected to influende on the financial position of the company.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

12. Related parties

Controlling influence	Basis of influence
Fritz Schur Industri ApS, København K.	Ownership
Fritz Schur Technical Group A/S, København K.	Ownership
FS 12 ApS, København K.	Ownership
Fritz H. Schur	Ownership
Mads-Ole Astrupgaard	

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 1. Staff costs.

The company is included in the consolidated financial statements of the parent FS 12 ApS, København K.

13. Adjustments for the cash flow statement

	2021 DKK '000	2020 DKK '000
Other operating income	-6	0
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	1,512	1,430
Financial expenses	301	572
Tax on profit or loss for the year	22	151
Total	1,829	2,153

14. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for medium-sized enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

14. Accounting policies - continued -

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including gains on the sale of intangible assets and property, plant and equipment.

14. Accounting policies - continued -

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	3	0
Goodwill	10	0
Leasehold improvements	5 - 10	0
Other plant, fixtures and fittings, tools and equipment	3 - 5	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

14. Accounting policies - continued -

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of

14. Accounting policies - continued -

disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.
The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

14. Accounting policies - continued -

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.
Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences

14. Accounting policies - continued -

between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition

14. Accounting policies - continued -

and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the company's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.